

## Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 NEA-10 ISO-00 IO-13 AGR-05 AID-05 IGA-02

OMB-01 TRSE-00 FEAЕ-00 CIAE-00 INR-07 NSAE-00 SS-15

SP-02 L-03 H-02 NSC-05 /090 W

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P R 051404Z AUG 76

FM AMEMBASSY VIENNA

TO SECSTATE WASHDC PRIORITY 9270

INFO AMEMBASSY KUWAIT

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E.O. 11652: N/A

TAGS: EAID, EFIN, EAGR, IFAD, OPEC, AU

SUBJECT: OPEC CONTRIBUTION TO IFAD

REF: (A) STATE 189670, (B) KUWAIT 3630

1. SUMMARY. CHARGE MADE CONTACT WITH SHIHATA AS REQUESTED  
REF (A). SHIHATA IS DOUBTFUL ON POSSIBILITY OF GETTING  
INDIVIDUAL OPEC COUNTRIES TO INCREASE CONTRIBUTIONS TO  
IFAD AND FEELS BEST WAY TO BRIDGE FINANCING GAP IS TO  
PUT PRESSURE ON "RICH" CATEGORY 3 COUNTRIES AND  
ON THOSE OECD COUNTRIES WHICH THUS FAR HAVE NOT BEEN  
VERY FORTHCOMING. END SUMMARY.

2. IN CALL ON SHIHATA AT OPEC HEADQUARTERS AUGUST 4,  
CHARGE EMPHASIZED IMPORTANCE OF OPEC  
FINANCE MINISTERS AVOIDING ANY PUBLIC POSITIONS  
WHICH WOULD MAKE EFFORTS TO RESOLVE IFDA FINANCING  
IMPASSE MORE DIFFICULT. CHARGE ALSO STRESSED NEED  
FOR ADDITIONAL OPEC CONTRIBUTIONS ABOVE \$400 MILLION  
FROM OPEC SPECIAL FUND TO MAINTAIN CONCEPT OF  
"ROUGH PARITY" OF CATEGORY 1 AND CATEGORY 2  
CONTRIBUTIONS.

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3. SHIHATA REPLIED THAT HE WOULD MAKE EVERY EFFORT

TO SEE THAT MINISTERS' PUBLIC STATEMENTS ON SUBJECT  
DID NOT COMPLICATE EFFORTS TO SOLVE FUNDING PROBLEMS.  
AT SAME TIME SHIHATA RULED OUT ANY POSSIBILITY THAT  
MINISTERS WOULD AGREE TO ADDITIONAL CONTRIBUTION  
FROM OPEC SPECIAL FUND. HE NOTED THAT \$800 MILLION  
CURRENTLY COMMITTED TO SPECIAL FUND HAD ALREADY BEEN  
FULLY ALLOCATED. SHIHATA REMARKED THAT HE WOULD  
PERSONALLY WELCOME SEPARATE CONTRIBUTIONS TO IFAD FROM  
INDIVIDUAL OPEC COUNTRIES BUT HE DOUBTED SERIOUSLY  
THAT ANY SUCH PLEDGES WOULD BE FORTHCOMING. SHIHATA  
OPINED THAT OPEC COUNTRIES WOULD BE RELUCTANT TO  
INCREASE THEIR CONTRIBUTIONS WHEN A NUMBER OF OECD  
COUNTRIES (HE SPECIFICALLY MENTIONED SWITZERLAND AND  
AUSTRALIA) HAD MADE VERY SMALL PLEDGES AND SEVERAL  
RELATIVELY RICH NON-OPEC LDC'S HAD NOT MADE ANY SIG-  
NIFICANT CONVERTIBLE CURRENCY CONTRIBUTIONS. (IN  
THIS CONNECTION SHIHATA NOTED THAT CATEGORY 3 COUNTRIES  
SUCH AS MEXICO, BRAZIL, ARGENTINA, YUGOSLAVIA AND  
ROMANIA WERE IN BETTER FINANCIAL POSITION TO CONTRI-  
BUTE TO IFDA THAN OPEC MEMBERS SUCH AS INDONESIA  
AND ECUADOR).

4. SHIHATA PREDICTED THAT SECRETARY GENERAL WALDHEIM'S  
CIRCULAR TELEGRAM ON BEHALF OF IFDA WOULD BE FILED  
AND FORGOTTEN. BEST WAY TO OVERCOME FINANCING GAP  
IN SHIHATA'S VIEW WOULD BE DIRECT CONTACTS BY US  
AND OTHERS AIMED AT OBTAINING NECESSARY FUNDS FROM  
LAGGING OECD MEMBERS AND CATEGORY 3 COUNTRIES. SHIHATA  
SAID THAT PERMITTING CATEGORY 3 CONTRIBUTIONS TO  
BE COUNTED TOWARD \$1 BILLION TARGET WOULD REPRESENT  
SOMETHING OF A CONCESSION BY OPEC WHICH HAD ORIGINALLY  
INSISTED ON STRICT SIX TO FOUR PROPORTIONALITY BETWEEN  
CATEGORY 1 AND 2 DONORS. SHIHATA SAID HE HAD PROPOSED  
INCLUDING CATEGORY 3 CONTRIBUTIONS IN THE 6 TO  
4 RATIO AT ROME AND WOULD TRY TO GET OPEC FINANCE  
MINISTERS TO CONCUR IN THIS VIEW AT THEIR CURRENT  
MEETING. HE ADDED THAT HE HAD HAD NO INDICATIONS  
OF OPPOSITION ON THIS POINT.

5. COMMENT. SHIHATA APPEARED TO BE CANDID IN HIS  
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ASSESSMENT OF THE PROBLEM, AND EAGER, AS WE ARE,  
TO FIND A WAY OUT OF CURRENT IMPASSE. SHIHATA SAID  
HE WILL NOW BE PERMANENTLY BASED IN VIENNA IN HIS  
CAPACITY AS DIRECTOR GENERAL OF THE OPEC SPECIAL  
FUND. HE OFFERED TO MEET WITH CHARGE AGAIN CONCERN-  
ING IFDA FOLLOWING THE FINANCE MINISTERS MEETING.  
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## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Disposition Approved on Date:**  
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